

Senate Resolution No. 24

Introduced by Senator Burton

Relative to the Senate Select Committee on Fiscal Restructuring.

WHEREAS, The State of California, the world's fifth largest economy with an annual domestic product of \$1.4 trillion, is now confronted with the worst fiscal crisis in its recent history; and

WHEREAS, This fiscal crisis is exacerbated by a multiplicity of governmental jurisdictions that are subject to a funding system made overly complicated by conflicting and contradictory constitutional and statutory provisions; and

WHEREAS, The existing revenue structure has led to overreliance on personal income tax at the state level, guaranteeing a volatile base of resources for state operations, and overreliance at the local level on sales tax, leading to planning decisions that may prove counterproductive in the long run; and

WHEREAS, There exists an ongoing imbalance between revenue and spending in California government that has created a structural deficit of up to \$10 billion for the 2004–05 fiscal year, and potentially for years thereafter; and

WHEREAS, It is in the best interest of all Californians to create an aligned revenue and expenditure structure that guarantees the most efficient provision of quality services on appropriate levels of government, while fostering a business climate that sustains economic growth in order to improve the quality of life for all of our citizens; now, therefore, be it

Resolved by the Senate of the State of California, That, pursuant to Senate Rule 12.5, a subcommittee of the General Research Committee is hereby created, to be known as the Senate Select Committee on Fiscal Restructuring; and be it further

Resolved, That the subcommittee shall be composed of ten members appointed by the Senate Committee on Rules; and be it further

Resolved, That the subcommittee is authorized and directed to (a) review and assess the existing state and local governmental structure and the revenue sources pertaining thereto; (b) consider alternative or restructured revenue sources that might provide more reliable funding on a state and local level; (c) identify constitutional and statutory mandates that might be modified to increase financial flexibility at the

state and local level; (d) consider ways and means to improve the evaluation of program performance at the state and local level; and, (e) recommend policy initiatives that will resolve the structure deficit; and be it further

Resolved, That the Senate Select Committee on Fiscal Restructuring shall submit its report to the Senate, including its recommendations for appropriate legislation, no later than August 18, 2003, and on that date the subcommittee shall cease to exist; and be it further

Resolved, That the Senate Committee on Rules may allocate from time to time to the subcommittee from the Senate Operating Fund such sums as are necessary, and may employ and assign such personnel as the Senate Committee on Rules deems necessary for the subcommittee to complete the investigation or study assigned to it by this resolution; and be it further

Resolved, That for the purposes of carrying out and implementing its assignments as set forth above, the subcommittee and its members are empowered to exercise all of the rights and powers conferred upon investigating committees by the provisions of the Standing Rules of the Senate as adopted and amended from time to time, which provisions are, by reference, incorporated herein, including the right to hold hearings, to summon and subpoena witnesses with the prior approval of the Senate Committee on Rules, require the production of papers, books, accounts, reports, documents, and records of every kind and description, and to take all necessary means to compel the attendance of witnesses and procure testimony; and be it further

Resolved, That the subcommittee, each of its members, and every representative of the subcommittee authorized by the subcommittee or its chair, are authorized and empowered to administer oaths; and every department, commission, board, agency, officer, and employee of the state government, including the Legislative Counsel, and of any political subdivision, county, city, or public district of or in the state shall furnish the subcommittee, upon request, any and all assistance and information, records, and documents as the subcommittee deems proper for the accomplishment of the purposes for which it is created.

Senate Resolution No. 24 read and adopted by the Senate June 26, 2003.

Attest: _____
Secretary of the Senate

